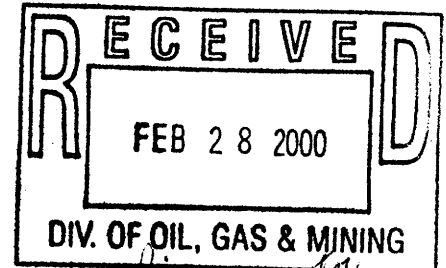


DUPLICATE ORIGINAL
ATTACHMENT B

FORM MR-6
Joint Agency Surety Form
(January 7, 1999)

Bond Number [REDACTED]
Permit Number M/001/027
Mine Name PEARL QUEEN PERLITE MINE
Other Agency File Number ML-3092

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



THE MINED LAND RECLAMATION ACT

SURETY BOND

Surety replaced this original returned to operator 4/11/2001.

The undersigned BASIN PERLITE COMPANY as Principal, and AMWEST SURETY INSURANCE COMPANY as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining, and the School & Institutional Trust Lands Administration in the penal sum of FORTY THOUSAND EIGHT HUNDRED AND 00/100 dollars (\$ 40,800.00).

Principal has estimated in the Mining and Reclamation Plan approved by the Division of Oil, Gas and Mining on the 5th day of August, 19 97, that 10 acres of land will be disturbed by this mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the Reclamation Contract of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

Page 2

MR-6

Joint Agency Surety Bond

Attachment B

Bond Number ~~XXXXXXXXXX~~

Permit Number M/001/027

Mine Name PEARL QUEEN PERLITE MINE

Other Agency File Number ML-3092

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by the Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

BASIN PERLITE COMPANY


Principal (Permittee)

William R. Wilson

By (Name typed):

President

Title


Signature

2/16/00

Date

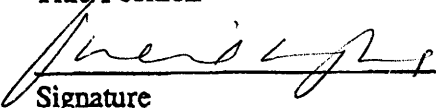
Surety Company

AMWEST SURETY INSURANCE COMPANY

Company Officer

ATTORNEY-IN-FACT

Title/Position


Signature

VIVIENNE DOUGLAS

PO BOX 4500

Surety Company Address

WOODLAND HILLS, CA 91365-4500

City, State, Zip

NOVEMBER 16, 1999

Date

Page 3

MR-6

Joint Agency Surety Bond

Attachment B

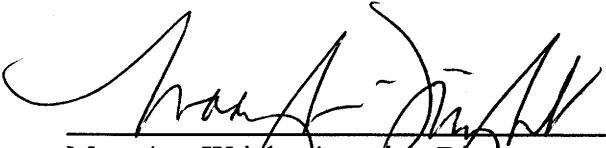
Bond Number [REDACTED]

Permit Number M/001/027

Mine Name PEARL QUEEN PERLITE MINE

Other Agency File Number ML-3092

SO AGREED this 9th day of March, 20 00.



Mary Ann Wright, Associate Director
Utah State Division of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety Company, such Power of Attorney must be filed with this bond. If the Principal is a corporation, the bond shall be executed by its duly authorized officer.

Bond Number [REDACTED]
Permit Number M/001/027
Mine Name PEARL QUEEN PERLITE MINE
Other Agency File Number ML-3092

AFFIDAVIT OF QUALIFICATION

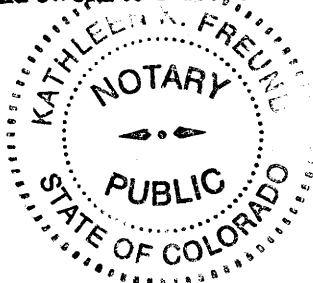
On the 16TH day of NOVEMBER, 19 99, personally appeared before me VIVIENNE DOUGLAS who being by me duly sworn did say that he/she, the said VIVIENNE DOUGLAS is the ATTORNEY-IN-FACT of AMWEST SURETY INSURANCE COMPANY and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said VIVIENNE DOUGLAS duly acknowledged to me that said company executed the same, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: [Signature]
Surety Officer

Title: ATTORNEY-IN-FACT

STATE OF COLORADO)
) ss:
COUNTY OF DENVER)

Subscribed and sworn to before me this 16TH day of NOVEMBER, 19 99.



Kathleen K. Freund
Notary Public

Residing at: LITTLETON, COLORADO

My Commission Expires:

JANUARY 15, 2000


LIMITED POWER OF ATTORNEY

Amwest Surety Insurance Company

Far West Insurance Company

Expiration Date: 11/16/01

POWER NUMBER 0001077683

This document is printed on white paper containing the artificial watermarked logo () of Amwest Surety Insurance Company on the front and brown security paper on the back. Only unaltered originals of the Limited Power of Attorney ("POA") are valid. This POA may not be used in conjunction with any other POA. No representations or warranties regarding this POA may be made by any person. This POA is governed by the laws of the State of Nebraska and is only valid until the expiration date. Amwest Surety Insurance Company and Far West Insurance Company (collectively the "Company") shall not be liable on any limited POA which is fraudulently produced, forged or otherwise distributed without the permission of the Company. Any party concerned about the validity of this POA or an accompanying Company bond should call your local Amwest branch office at (303) 985-7010

KNOW ALL BY THESE PRESENT, that Amwest Surety Insurance Company, a Nebraska corporation and Far West Insurance Company, a Nebraska corporation (collectively the "Company"), do hereby make, constitute and appoint:


Vivienne Douglas
Kathleen K. Freund
Ray A. Leonard
Karen A. Feggestad
As Employees of Marsh USA Inc.

its true and lawful Attorney-in-fact, with limited power and authority for and on behalf of the Company as surety to execute, deliver and affix the seal of the company thereto if a seal is required on bonds, undertakings, recognizances, reinsurance agreement for a Miller Act or other performance bond or other written obligations in the nature thereof as follows:

All Bonds up to \$25,000,000.00

and to bind the company thereby. This appointment is made under and by authority of the By-Laws of the Company, which are now in full force and effect.

I, the undersigned secretary of Amwest Surety Insurance Company, a Nebraska corporation and Far West Insurance Company, a Nebraska corporation, DO HEREBY CERTIFY that this Power of Attorney remains in full force and effect and has not been revoked and furthermore, that the resolutions of the Board of Directors of both Amwest Surety Insurance Company and Far West Insurance Company set forth on this Power of Attorney, and that the relevant provisions of the By-Laws of each company, are now in full force and effect.

Bond No.  Signed & sealed this 16TH day of NOVEMBER 1999


Karen G. Cohen, Secretary

***** RESOLUTIONS OF THE BOARD OF DIRECTORS *****
This POA is signed and sealed by facsimile under and by the authority of the following resolutions adopted by the Board of Directors of Amwest Surety Insurance Company at a meeting duly held on December 15, 1975 and Far West Insurance Company at a meeting duly held on July 28, 1983:

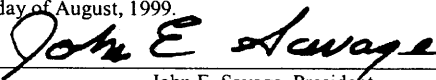
RESOLVED, that the President or any Vice President, in conjunction with the Secretary or any Assistant Secretary, may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the Company, to execute and deliver and affix the seal of the Company to bonds, undertakings, recognizances, and suretyship obligations of all kinds; and said officers may remove any such attorney-in-fact or agent and revoke any POA previously granted to such person.

RESOLVED FURTHER, that any bond, undertaking, recognizance, or suretyship obligation shall be valid and bind upon the Company:

- (i) when signed by the President or any Vice President and attested and sealed (if a seal be required) by any Secretary or Assistant Secretary; or
- (ii) when signed by the President or any Vice President or Secretary or Assistant Secretary, and countersigned and sealed (if a seal be required) by a duly authorized attorney-in-fact or agent; or
- (iii) when duly executed and sealed (if a seal be required) by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority evidenced by the power of attorney issued by the Company to such person or persons.

RESOLVED FURTHER, that the signature of any authorized officer and the seal of the Company may be affixed by facsimile to any POA or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company; and such signature and seal when so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF, Amwest Surety Insurance Company and Far West Insurance Company have caused these present to be signed by its proper officers, and its corporate seals to be hereunto affixed this 31st day of August, 1999.


John E. Savage, President


Karen G. Cohen, Secretary

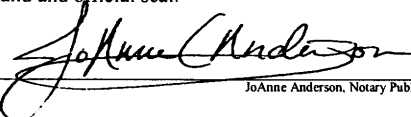
State of California
County of Los Angeles

On August 31, 1999 before me, JoAnne Anderson Notary Public, personally appeared John E. Savage and Karen G. Cohen, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me all that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

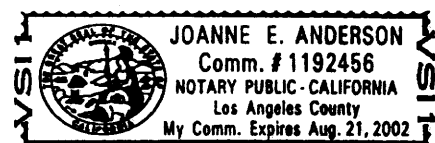
WITNESS my hand and official seal.



Signature


JoAnne Anderson, Notary Public

(Seal)



5230 Las Virgenes Road Calabasas, CA 91302

TEL 818 871-2000